

SPEECH

OF

MR. POINDEXTER,

OF MISSISSIPPI,

ON THE SUBJECT OF PROLONGING

THE PAYMENT OF REVENUE BONDS,

DELIVERED

IN THE SENATE OF THE UNITED STATES,

FEBRUARY 7, 1834.

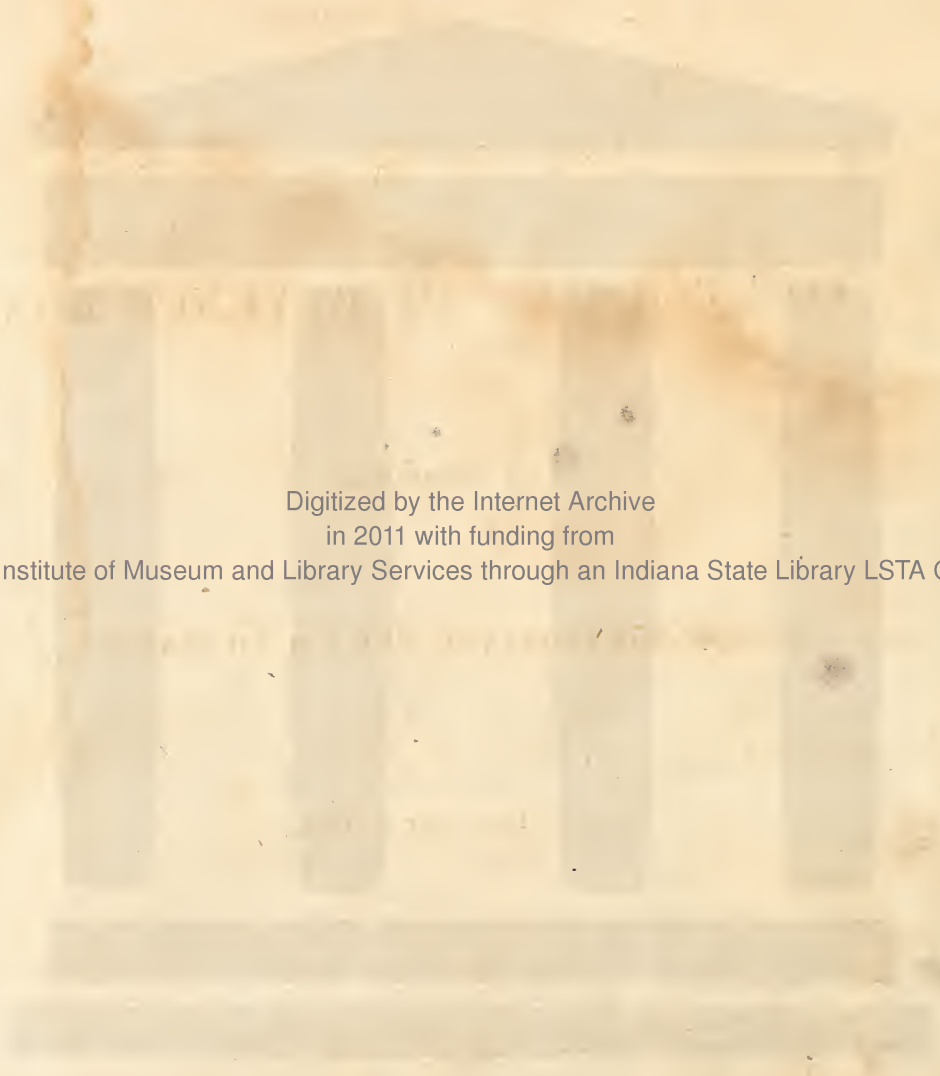
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S P E E C H .

The following resolution, offered by Mr. CLAY, being under consideration, viz.

Resolved, That the Committee on Finance be directed to inquire into the expediency of affording temporary relief to the community from the present pecuniary embarrassment, by prolonging the payment of revenue bonds as they fall due, the obligors paying interest and giving satisfactory security--

Mr. POINDEXTER rose, and addressed the Senate as follows :

Mr. PRESIDENT : The Senator who has just taken his seat (Mr. KANE) objects to the resolution of inquiry submitted by my honorable friend from Kentucky, (Mr. CLAY,) because it is limited, in its object, to some measure of relief to the importing merchants. He wishes to enlarge the scope of the inquiry, and extend it to the community generally. I understand the motion in its present shape, taken in connexion with the resolution of the Senator from Georgia, (Mr. FORSYTH,) to cover the whole ground desired by the honorable Senator from Illinois : it instructs the Committee on Finance to investigate, as far as they can, the present distresses of the whole country, and the causes to which they may be justly ascribed. I am content to accept the proposition in its broadest sense ; but I cannot indulge even the glimmerings of hope that any practical good will result from the action of either branch of Congress on this subject.

Sir, we have been told in language not to be misunderstood, coming directly from the Executive chamber, and communicated to this body through honorable Senators who speak *by authority*, that the present alarming condition of the country is to remain unchanged, and that the appeals which have been so forcibly and so feelingly made from all quarters, for the adoption of some measure which shall restore a sound circulating medium, and reinstate credit and confidence, are to remain unanswered. That the President, holding in his own hands the power to control the legislative department, is unalterably fixed in his determination to turn a deaf ear to the complaints of his oppressed and suffering countrymen. The die is cast. The currency can no longer be regulated by the representatives of the people ; the petitions and memorials which flow in upon us from all classes of our fellow-citizens can no longer be addressed to Congress for grave and solemn deliberation, with any prospect of ultimate success in the redress of their grievances ; but we must bow down in humble submission to the arbitrary will of an imperial power, claiming to wield the destinies of the nation in defiance of all the

other departments of the Government. The powerful arm of the Executive, backed by popular delusion and party discipline, is arrayed in opposition to the constitution and laws of the country, and threatens, by force or fraud, to destroy the beauty and symmetry—the checks and balances, so essential to the preservation of liberty, and the free institutions of which we have so proudly boasted. Be it so. If a majority of the American people can be induced, by a misplaced confidence in men, to sanction the invasions of the constitution which are now in a course of practical operation, the effects of which have already been felt with most signal severity, and must continue to augment the public distress beyond the point of endurance, the remedy is only to be found in the people themselves, when they shall arouse from their slumbers, and, in the majesty of their strength, punish the daring usurper who has trampled upon their rights, and spread among them the desolation of misery and ruin.

The wisdom which experience teaches, is the surest guide to human action, and, sooner or later, it must bring the people of this country to the exercise of sober reflection, disinterested patriotism, and, as a necessary consequence, to proper conclusions in the management of their own affairs. The result cannot be doubted, sir. I have been drawn into this incidental debate, by some remarks which fell from the honorable Senator from Pennsylvania, (Mr. WILKINS,) in relation to the recent curtailments of the discounts of the Bank of the United States at several of its branches located in the Western States. The honorable gentleman complains of the conduct of the directors of that institution, for having called on its debtors at Pittsburg and Nashville, between which places intimate commercial intercourse is said to be carried on, to reduce their accommodations below the sum at which they stood prior to the late movement of the President in removing the public deposits. The Senator has referred to the Treasury statements to show, that while Pittsburg had been required to reduce five hundred thousand dollars of its debt to the Bank, in the course of a few months, and Nashville had been pressed for a still greater amount of reduction, the discounts on domestic bills of exchange had not been diminished, but rather increased at the branch located at Natchez. The honorable gentleman has ventured (doubtless without any evidence of the fact, for he did not vouch for its truth) to ascribe this circumstance to my personal influence with the directors at Philadelphia, and its exertion in behalf of the State which I in part represent in the Senate. The honorable gentleman is mistaken. I hold no communication with any director or stockholder of the Bank of the United States, in reference to the management of its money transactions; nor have I, at any time in my life, written a line to an individual director or stockholder on the subject of rechartering the Bank, or received one, asking my support of that measure. The honorable gentleman, I am sure, did not mean to impute to me any unworthy connexion with the Bank; and I am very certain *his* claims to the favor of those who manage its concerns, on the score of past political support, are much higher than any to which I can pretend. I have occasionally sold to the Bank bills of exchange, for my own accommodation, which, if that medium had not existed, I should have sold to some local bank or broker. These bills have been duly honored, and paid at maturity, and so the matter ended. But, by an experiment of that kind lately made, I find that I am now taxed $2\frac{1}{2}$ per cent. for facilities heretofore afforded me at a much smaller premium. This, I

presume, is one of the *blessings* which we are to enjoy under the reform system of providing a safe and sound currency, for which we are so much indebted to him "who shuns no responsibility," and his *duplicate* cabinet advisers. I do not credit the idea that the directors of the Bank could be influenced by considerations of personal favor, to relax the vigilant course which it has been compelled to adopt for its own security and safety. The existing pressure in the money market can only be traced to causes over which that much abused institution had no agency or control. The honorable Senator is perhaps unacquainted with the causes which operated to swell the amount of domestic bills discounted at the Natchez branch during the past autumn; I will endeavor to satisfy him on that point. That city is a place of pretty extensive trade, situated in the centre of a rich and highly cultivated cotton region.

During the period at which this staple article of the South is in progress of delivery and shipment, business at Natchez assumes more animation than usual. The planter who consigns his cotton to a commission merchant at New Orleans, often wishes to anticipate the sale of his crop; and to effect it, he draws on his merchant for one-half or two-thirds of the estimated value of the cotton in market, at thirty or sixty days, which enables the merchant to take the chance of an advance, and obtain a fair price for the article. These domestic bills, in the course of the season, might well amount to several millions of dollars; they are discounted at the local State banks, or at the Branch Bank of the United States: the latter is usually preferred, because it does not charge by one-half per cent., or perhaps one per cent. so high a rate of exchange as some of the State banks. It is a short process, and highly beneficial to the Bank; for, besides the profits arising from discounts, it places in the branch at New Orleans a large amount of acceptances, redeemable at periods of from one to two months, founded on the solid basis of the great staple product of that market, and the capital thus put in circulation at Natchez operates to strengthen the more important branch at New Orleans. It collects these acceptances in specie, or the notes of the State banks, at its option. Heretofore, either mode of payment would have been equally acceptable: how it is in that respect now, I do not know, but I think it probable that, in the present deranged state of the currency, specie may, in most cases, be demanded. The funds of the Bank so transferred from Natchez to New Orleans, are replaced from time to time for the accommodation of the country, without risk or inconvenience, and while the operation gives activity to enterprise and industry, it adds strength and stability to the bank through which it is carried on. I have no doubt that the one-half, or perhaps more, of the amount of bills of this class, reported in the last returns, have already been redeemed. These money transactions are of short duration, and are limited to the cotton season.

The State from which I come, has, I am informed, experienced less distress from the prevailing pressure, than many other parts of the country. I am happy to hear that it is so; but *her* day of reckoning is to come, and may not be far distant. Most assuredly, if the present state of things shall continue unmitigated; if no step shall be taken to restore credit and confidence to their former healthful condition, *we* shall not be among the fortunate few who may escape the calamities brought on the country by the mad schemes of undisciplined ambition. I am glad to find my honorable friend from Pennsylvania (Mr. WILKINS) has been undeceived

as to the general distress which is felt at Pittsburg. He assured us, on a former occasion, that his friends and neighbors were wholly exempt from the sufferings and embarrassments of which we heard so much from the commercial cities on the seaboard. He seemed to have brought his mind to the conclusion that those complaints were confined to the commercial cities in the vicinity of the Bank of the United States; to chambers of commerce, and importing merchants; all others he thought were prosperous and contented.

But very soon after the honorable gentleman presented to us this glowing picture of the flourishing condition of the city of his residence, the cry of distress and ruin reached his ear, in tones not to be mistaken or disregarded. The industry of that great manufacturing town is paralyzed; their spindles "stand still," and their looms are unharnessed. It is not more lamentable than true, that at this moment labor of every description languishes, and the artisan looks in vain for the rewards which have, in better times, filled the measure of his highest expectations.

Yes, sir, I will tell the honorable Senator that I have letters now before me from highly intelligent and respectable gentlemen in Pittsburg, communicating facts which leave no doubt of the actual distress which is felt there. I will not consume the time of the Senate by reading these letters; they are substantially of the same import with the one read this morning by the honorable Senator from Kentucky, (Mr. CLAY.) The Senator from Pennsylvania has hitherto moved steadily with the advocates of protection to domestic manufactures; his constituents have looked to him as the unwavering friend of that branch of industry, in the success of which they feel the deepest interest. Can the honorable gentleman look on its downfall without emotions of sorrow and regret? Can he witness its embarrassments without compunction and remorse? If not, he ought to be admonished by the information which we daily receive of the deleterious consequences to that important interest, resulting from the ill advised action of the Government on our fiscal affairs; (I speak of the Government as it is now familiarly understood to mean the President alone;) the honorable Senator ought to raise his voice to sustain the policy of which he has been the patron and advocate, and, if possible, to remove the obstructions interposed by Executive power, to impede its march to full maturity and manhood. The honorable gentleman cannot be uninformed of the actual condition of the cotton manufacturers of Pittsburg; of the extensive curtailments which have, in a few weeks, been made in the business of their factories, and of the causes which have produced this state of things. If these causes are not arrested, they must lead to a further decline in that branch of domestic manufactures, and of many other branches requiring the aid of capital to keep them in successful operation. The honorable gentleman is assuredly better acquainted with the wants of his constituents than I am, but I trust he will not deem me obtrusive in the suggestions which I have thrown out for his consideration.

The universal panic, and the consequent depression in the trade and industry of the country, are now too palpable to be denied. It is reluctantly admitted by honorable gentlemen who attempt to sustain the recent disastrous measure of the President. They, however, seek to evade the "responsibility" of having brought on the people these disasters, by turning round on the institution which they have endeavored to crush, and

gravely charging on it all the mischiefs of their own weak and vindictive policy. If the cry of distress is heard throughout the land, and its echo reaches our ears within these walls, honorable Senators remain unmoved by the sound, and the only response which they condescend to give their complaining fellow-citizens, is, "you must endure your sufferings with fortitude and patience, to enable the 'old Roman' to consummate his glory in this war of extermination which he has waged against the Bank." The *monster* must be strangled; the *tyrant* must be humbled at the feet of the President; the Bank could relieve the country, but it will not, and therefore down with it. The Bank is using its money to purchase support, and, by producing a pressure, to force the Government to renew its charter. Sir, I listen to this inflammatory tirade with ineffable disgust; I see in it the deceptive guises which have been hitherto so successfully employed to deceive and mislead the American people, by those who infest the council chamber of the Executive, and abuse the confidence reposed in them, by exciting his passions and prejudices, when they can be turned to a good account for the accomplishment of their own selfish and fraudulent purposes. It is manifest, sir—no one can doubt it, who will candidly examine all the facts connected with the subject—that the present critical posture of our public affairs owes its origin to a band of political jugglers, combined with speculators in the stocks, who hope to profit by a deranged state of the national currency, and the downfall of the Bank of the United States. These are the *precious* materials of which the composition of cabinets are formed, above and below stairs, by whom the finger of the President is pointed; who direct and control his judgment, and adapt it to the consummation of their plans of ambition and avarice. The Secretary of the Treasury has relieved Congress from the arduous constitutional duty of regulating the currency; he has taken the power into his own hands, by authority, and his *reformed* system has been submitted to us, not for our ratification, for we are told it cannot be touched or amended; but I presume we may be allowed to admire its profound wisdom. The first step which he proposed to take in the extensive range of his plans, was to put his feet on the "*reptile*" Bank, which had committed the unpardonable sin of offending the majesty of "*the Government*." He indulged the confident belief that, by withdrawing nine millions of deposits from its vaults, he could, by the use which he intended to make of this large capital, in connexion with certain selected State banks, or "pet banks," as they are called, compel the Bank of the United States to wind up its affairs, cease its operations, and withdraw altogether from the field of competition.

The annunciation was made by one whose authority in these matters is quite equal to that of the Secretary himself, that, for forty days next following the first day of October last, the Bank could "exist only by the forbearance of the Secretary of the Treasury," and great forbearance, indeed, it would require to enable it to survive that short period of time. This boasting giant was to be humbled in the dust under the feet of our *good* Secretary of the Treasury, and on its ruins was to rise up a *galaxy* of State banks, more efficient, more sound, and able to supply a better circulating medium to the country than that which he was about to prostrate and throw out of existence. Sir, the experiment was fairly made; the power of the Executive was pushed to its utmost extreme, regardless of constitution or law; and how has it resulted? The astonished Secre-

tary, after laying violent hands on the Bank, discovered that he had caught a *Tartar*. This unmanageable Tartar was found to be too strong to be forced out of his position, and, what was still worse, the Secretary could not get along without his permission. The forty days have gone by, months have rolled on, the nine millions have been abstracted from their only lawful place of deposit for the public convenience and safety; the solemn farce is ended, and the Bank still lives, unshorn of its strength, rich in its resources, and high in the confidence of the whole community from one extremity of the Union to the other. The *pet* banks implore the aid of their new master, the Secretary of the Treasury; he tells them, "Be patient my friends, the transfer drafts are exhausted; nothing remains but the pension fund, and that is claimed under pretence of some law; but we will never retrace our steps, our chieftain is *unskilled* in retreat; better suffer the ills that are upon us, than confess our errors, and be driven in disgrace from our high places." The suffering people must be appeased; they are loud and clamorous in their complaints.

And what, sir, is the new attitude assumed to rescue the Executive from public scorn and indignation? Why, tell the people that the Bank has been the cause of all the distress which they feel, and ask them to unite with the President to put down the monster, which is capable of producing so great a pressure on the country. There are no means of escape but by diverting public attention from the Government, and fixing it on the Bank. Sir, this attempt, full of treachery and deception, is resorted to as the only desperate expedient in the last agonies of expiring despotism. Let us cast our recollections a few years back, and trace the progress of Executive denunciation against the Bank of the United States, and their effects on the currency and commercial operations. As early as December, 1829, the present Chief Magistrate, in his annual message to Congress, expressed, very decisively, his opinion that the charter of the Bank was inconsistent with the powers vested in Congress by the constitution; he invited the immediate attention of Congress to the subject, that it might be put at rest by a refusal to recharter the institution.

The directors of the Bank and every stockholder felt this blow aimed at its credit, and even its existence, so far as Executive influence could produce these results. Did this movement of the President cause any pressure in the money market, or any derangement of the currency? None, sir. The Bank pursued the even tenor of its way, went on to accommodate merchants and others to the extent of its means, and the country remained tranquil, undisturbed by the question raised in the message. The same opinion and recommendation were repeated by the President in his two succeeding annual messages. All this produced no pressure. The Bank continued unmoved, to grant the necessary facilities to commerce, and to furnish a sound currency throughout the Union. What next? Why, sir, the directors, after the third invitation of the President, ventured to approach Congress, and respectfully ask a renewal of the charter, with such modifications and on such conditions as might be deemed just and equitable.

The President had, over and over again, declared that it was high time the question was settled. But what was the course of the administration, when a bill was reported to renew the charter of the Bank for a limited time? Sir, the friends of the President in both Houses of Congress,

and the organized press in the pay of the administration, from Maine to Louisiana, denounced the conduct of the President and Directors of the Bank, and charged them with motives of hostility to General Jackson, on the mere presentation of their memorial; and with a design of interfering in the election of President and Vice President of the United States, which was to take place in the fall of '32, by bringing the subject before Congress at that time, although their attention had been called to it two years before by the President himself, with an urgent request that they would give it an early consideration! So much for the *duplicity* thus practised, to place the incumbent before the nation as a candidate for re-election to the Presidency, in such an attitude, that, with suitable reservations and exceptions, he might be defended in different quarters of the Union, either as the friend or enemy of the Bank, according to the political complexion of the community, in which either ground might be assumed. The Bank made no reply to these unfounded imputations, cast on it by interested parties, and finally carried out by the unwarrantable usurpation on the chartered rights of the corporation. Congress, after much debate and great deliberation, passed the bill to recharter the Bank by respectable majorities in both branches of the Legislature. The public voice, thus pronounced through the immediate representatives of the people, was disregarded; by the uncalled for and wanton exercise of the *veto* power, the bill was finally lost. The Bank was in this *emphatic* manner notified of the utmost limit of its duration, and warned to take care of its own interests by bringing its affairs to a close. Well, sir, did the Bank avail itself of this arbitrary exercise of Executive power, and of the circumstances under which it was placed, to produce any public distress? Did it attempt, by exciting a panic in the money operations of the country, to coerce the Government into a renewal of its charter? Not at all, sir! The same liberality and indulgence were extended to its debtors, the same accommodations were granted to merchants, manufacturers, and traders, and others, which had marked its course at every preceding period of its existence. The whole country was for the moment shocked at this high-handed measure of the Executive; a temporary suspension of confidence was felt on the Western waters; some failures were occasioned in Cincinnati, and many laboring men were turned out of employment. There was, to use a favorite expression of a remarkable* man, who held office under the administration of Mr. Jefferson, "a breeze," but it passed away, and no derangement of the currency or general pressure took place.

It is a part of the history of that period, that, for having *extended* its accommodations, in a year of unusually prosperous commerce, to the importers of foreign goods, by which a vast revenue was thrown into the National Treasury, the Bank was assailed, and unblushingly charged with interfering in the elections then pending, and particularly with enlarging its discounts, for the express purpose of defeating the election of the present Chief Magistrate. This charge was never suffered to *slumber* in the mind of President Jackson. It took deep root at the time, and must, if we are to judge by the feelings disclosed in his famous cabinet paper, have disturbed his *day-dreams* and midnight visions, until it was expiated at the altar of his vengeance, by an act of tyranny on the supposed

* Gideon Granger.

offender, unparalleled in the history of this country, or of any other where the laws are respected as paramount to the mandates of a reckless despot. It was, I firmly believe, the principal cause of this rash measure, which must be regarded in all time to come as a dark spot on the administration of the Government, at this most singular epoch in our political history. But, sir, suppose the Bank, after the application for a renewal of its charter had been sanctioned by Congress, and vetoed by the President, had taken an opposite course, and, instead of granting those liberal facilities to the commercial community, had restricted its discounts within very narrow limits, called on its debtors for the amount previously loaned by gradual instalments, and thus convulsed the country by producing precisely the same pressure and distress which exist at this time. No one will deny that this might have been done, and to a greater extent than is now the case. It would, by adopting such a system of curtailments, have avoided the imputed crime of extending its accommodations to gain political influence; but it would have been thrown on the other *horn* of the *dilemma*. All the epithets which we now hear applied to this institution, would have adorned the *court* language of that day; the public sensibility would have been aroused into action against the dangerous tendencies of this moneyed aristocracy; this money tyrant; this reptile Bank; this monster which had spread distress and ruin throughout the country by means of its money power, without the plea of necessity, for the express purpose, and none other, of rendering the veto message unpopular, of bringing the administration into disrepute among the people, to prevent the re-election of General Jackson, and thereby effectually securing a renewal of the charter, to avert the evils of which it was the author! We are admonished by passing events that the Bank can adopt no line of conduct which would be acceptable to the Executive.

It may be asked why the President and Directors of the Bank did not call in its discounts immediately after the question was settled by the veto message. I cannot, sir, give the answer, because I am not in possession of the requisite information. But to me it appears obvious that it never has been their design to abuse the privileges granted in the charter of incorporation. The hostile movements of the President, threatening the stability of the institution, from December, 1829, to the present time, were well calculated to impair the credit and confidence which it enjoyed, both at home and abroad. The stockholders have been the greatest sufferers in this contest for political power, based upon the downfall of their chartered rights. But so long as the Bank was permitted to retain its national character; so long as its connexion with the Treasury was unbroken, it continued in good faith to fulfil the objects for which it was created, and to meet the just expectations of the country. The public revenues were secure in its vaults, and the money was promptly transferred, without risk or charge to the Government, to any point at which it might be needed for the public service. It furnished and preserved a circulating medium equal in all respects to gold and silver, in all parts of the world, and more convenient for the practical purposes of commerce. It regulated the internal exchanges of the country, by placing them on a footing of almost perfect equality. It discounted freely on its vast means, and thus gave encouragement to industry and enterprise, and activity to trade, foreign and domestic.

Our condition has suddenly changed ; and I ask any man who has not surrendered his reason to the overwhelming influence of party prejudice, to what cause must we ascribe the melancholy gloom which is spread through the land, over which profound peace and universal prosperity had so recently shed their cheering influences? Sir, it is an insult to common sense to turn our attention to the Bank to find an adequate cause for these unexpected calamities. The existing pressure has followed, as the shadow does the human body, the arbitrary encroachments of Executive prerogative, now for the first time asserted as one of its constitutional attributes. The whole country was tranquil and prosperous ; it did not even dream of distress, until the unhallowed hand of Executive power took within its iron grasp the chartered rights guaranteed by law and the plighted faith of the nation to its own people, and crushed them into dust and ashes. All confidence in the solemn engagements of the Government, the obligations of its contracts, and the supremacy of the laws, was instantly lost ; and prudent men very naturally looked round them to guard against an impending storm, and provide for their own security and safety. Our free institutions were virtually annihilated ; public credit received a fatal stab ; the sacred ark of the tabernacle was touched and violated ; all the departments of Government were blended and concentrated in one hand ; and who can wonder, in a crisis so novel, that banks should draw in their resources, and limit their issues ? or that men of capital should look with jealousy and distrust on the public and private relations which have hitherto bound society together, by the inviolable sanctity imparted to contracts entered into by individuals or bodies corporate, created by the Government for wise and salutary purposes? These relations have been ruptured ; power marches onward in its daring usurpations, and bids defiance to all the constituted authorities combined.

In these fundamental and alarming causes we may find the source of all the pressure and distress which is so unjustly charged on the directors of the Bank of the United States. Sir, I am utterly astounded at the range of power now claimed and exercised by the President alone. What may he not do of his own will, if that which he *has* done be deemed legitimate and constitutional? How has he changed the condition of the Bank, in its connexion with the fiscal operations of the Treasury? Sir, he has transcended the united powers which belong to both Houses of Congress and the President, by divorcing the Bank from the Treasury, and thereby disrobing it of all the attributes and functions on which the original power to grant the charter was claimed. He has reduced it to the grade of a mere *commercial* bank—a money corporation, to be conducted for the exclusive benefit of the stockholders, in the same manner that any local bank in Philadelphia or New York is conducted.

No man in the nation, either in or out of Congress, has ever pretended that Congress had power to create such a corporation, or that such a one could exist and carry on its operations for a single moment, under the sanction of a law of the United States. And yet the President has brought us into an anomalous situation, from which we cannot escape without his approbation, by his own act, which constitutes this Bank a mere commercial machine, having none of the qualities essential to give validity to the charter. I ask, sir, if Congress could, without perpetrating a fraud on the constitution, charter a Bank of the United States as

the fiscal agent of the Treasury, and then pass a law declaring that so much of the charter as relates to the collection, safe keeping, and distribution of the public revenue should be deemed and held utterly null and void during the existence of the charter? If such a principle of legislation is sanctioned by Congress, there is nothing to prevent the establishment of fifty or one hundred banks, connecting each one in succession with the Treasury; and then, by repealing that part of the charter, place those institutions on the footing of other commercial banks, although, *as such*, they could not have been incorporated under any power claimed or exercised at any period since the foundation of this Government.

I hold it to be clear that all the branches of the National Legislature, of which the President is a constituent part, do not possess the power either to incorporate a bank merely to afford commercial facilities, or to reduce a bank constitutionally organized to that condition after it shall go into operation; and assuredly to that extent, at least, the powers of the President have been carried, in dissolving, by his mandate, the relations created by the charter of the Bank of the United States with the public Treasury. It is, at this time, purely a moneyed institution, with certain privileges, to be conducted by the directors exclusively for the benefit of the stockholders; it has been made so by the act of the Executive, and will so continue to the end of its charter, without the concurrence, and against the will of either or both Houses of Congress. This new code of laws will hereafter, I presume, come under the definition of *Executive legislation*, to the extent of which there is no limitation, no power of revision, and no other form necessary to be observed, but simply to promulgate the act, with the declaration that "I, the President, take the responsibility." Sir, I sadly mistake the character of the American people if they long endure these giant strides to the climax of arbitrary power. To impede the course of even-handed justice under the sanction of laws constitutionally made, to abrogate chartered rights, to establish new systems of national currency, and annul the operation of the laws, are powers which the Crown of England would not dare to exercise without the co-operation of Parliament. A single attempt of the present King to overturn the settled laws of the realm, by violence, stratagem, or fraud, would arouse the spirit of English liberty, and shake the throne to its foundations. Are we, the citizens of this free republic, less tenacious of our liberties and our laws than the people of England, with their King, Lords, and Commons, and a privileged clergy, to boot? Shall *we* look on the scenes which are passing before our eyes, and see the Chief Magistrate of a free people, in the administration of a free constitution, boldly march forth and seize the purse and the sword, and taunt the Legislature with his determination to hold them, unless he is overruled by two-thirds of both Houses of Congress? Shall a suffering community find no redress but in petitions and appeals to *Executive clemency*?

Sir, if the proud spirit of independence which animated the bosoms of our patriotic ancestors, has departed from among us, and we are prepared to affix the seal of our approbation to such acts, our dearbought freedom will exist only on parchment; whilst all the essential power of the Government will be lodged in one of its departments. To such a crisis in a political affairs of the country, I fear we are fast approaching. Sir, honorable gentlemen rise in their places, and admit the distress which per-

vades the community. They point to the Bank of the United States as the only source from which relief is to be expected; for it has been announced to us that none can be looked for in a change of the measures of the President. I ask, what right have they to speak of the Bank, in its present posture, as an institution accountable to the Government in the management of its money transactions? What right have they to say to the President and Directors, increase your discounts, to save us from the frowns of the multitude? Sir, those who know so well how to take responsibility, must learn to answer for the consequences of their own errors. The fiscal agency of the Bank no longer exists; it retains only the power to employ its capital for the benefit of the stockholders, according to the judgment and discretion of the directors. Sir, so long as the charter remained inviolate, and the deposits of the public revenue were made in the vaults, the Government might, with great propriety, call on the Bank to step forward and relieve an unexpected pressure; but the connexion between the Bank and the Treasury has been cut asunder by a tyrant's hand; its destruction was decreed, not for the public good, but to subserve the purposes of unchastened ambition and foul corruption; powers have been assumed which do not properly belong to Congress and the President combined; the Bank exists now, and will continue to exist, as we are informed, to the end of its charter, as a body corporate, with powers differing only in name from those conferred on the banks of the several States. The stockholders will take care of their own interests, since the President has left them no other duty to perform. They will discount to the extent which prudence and caution recommend, and no further.

Honorable Senators, whose groans and lamentations for the sufferings of the people are accompanied by declamatory appeals against the Bank, because it does not choose to help them in their crusade against that institution, the destruction of which is to fill the cup of glory to overflowing, of him "who never was known to abuse power in the course of a long life of public service," must look for aid, in this holy warfare, in another direction. Let them cheer up the drooping spirits of the phalanx of pet banks which are shortly to make such a grand display, by giving the country a better currency than the notes of the National Bank; let them use the people's money, now in their exclusive custody; let them tell the people, if they please, that it is in the cause of Andrew Jackson they suffer privations and wants, as our fathers did, for liberty and independence, in the war of the revolution; but let them not hope that the idol they worship may trample under his feet the solemn contract of the Government with the Bank, and, when he is reaping the harvest of his tyrannical, uncalled for, and malicious deed, in the distresses which it has brought on the country, to find their intended victim, which they could not crush, a pliant instrument to shield them from the indignant frowns of an injured and insulted people. No, sir, let honorable gentlemen try their experiment fairly, without interruption or resistance from any quarter; and when they need help, let them call on the "party," and their *safety* funds, to relieve them. We hear it gravely said that the currency will be restored, and the distresses of the people relieved by a combination of State banks. Sir, it is idle so to talk. The honorable Senator from Kentucky might as well attempt to navigate the Atlantic in his twenty bark canoes, lashed together with grape vines, as for Congress to expect,

by means of the Treasury and State banks, to equalize exchanges, and create confidence in State bank notes equal to that which is now universally felt in the notes of the Bank of the United States.

But the act of the President in removing the public deposits, and dissolving the connexion between the Bank and the Treasury, has not only violated the solemn contract of the Government with that institution, but reserves to himself the power to enforce on it the performance of all its engagements to the Government. Why is it that the Secretary of the Treasury is authorized by the charter to require of the Bank weekly statements of its general condition? Most certainly because the public money was there deposited, and it was made the duty of the Secretary to take care that it was at all times secure. This money is now withdrawn. The reason on which the law was founded has ceased to exist, and yet the Bank is bound to continue to furnish these general statements of its affairs to the Treasury, weekly, under pain of subjecting itself to a *scire facias* and a revocation of its charter.

There is another anomaly in this extraordinary proceeding. The money of the Government is no longer in the custody of the Bank of the United States; it has been removed from that place of deposit, provided by law, at the dictation of the Chief Magistrate; and yet, notwithstanding the violation in this respect of the solemn engagements of the Government with the institution, the obligation on the Bank remains in full force "to transfer the public funds from place to place within the United States, or the Territories thereof, and for distributing the same in payment of the public creditors, without charging commissions or claiming allowance on account of difference of exchange, and shall also do and perform the several and respective duties of the commissioners of loans for the several States, or of any one or more of them, whenever required by law." The Secretary of the Treasury might at this time demand of the Bank the fulfilment of this engagement, although it has none of the public money within its vaults; and its refusal to comply with the demand would be the foundation of a *scire facias* for a breach of its contract with the Government. Such is the singular attitude in which the Bank is placed by the arbitrary exercise of despotic power, wielded in violation of the constitution and laws, by President Jackson. Sir, the people are relied on, as they have heretofore been, to sustain the President in whatever he may do, without regard to the nature or extent of the powers which he may claim and exercise.

This, sir, is the passport of all usurpers to the consummation of their ambition in overturning the liberties of the people. No usurper ever mounted the throne but in the name of the people, and for the good of the people; and so it ever will be to the end of time. We are told, sir, of the great unanimity, in the empire State of New York, on the subject of the removal of the deposits. The honorable Senator (Mr. WRIGHT) who presented to the Senate the resolutions of the General Assembly of that State, triumphantly pointed to the overwhelming majority by which they were adopted. Sir, the wonder with me is, not the adoption of these resolutions by a majority so tremendous; I am only astonished that there should be found one man in that Assembly sufficiently patriotic and bold to give his vote against these resolutions, or in favor of rechartering the Bank of the United States. If I am not greatly mistaken in the history of the times, the hostility of President Jackson to the Bank of the

United States has been not a little excited and stimulated by the party discipline of what is called the Albany Regency. Sir, no State in the Union is so deeply interested in the destruction of a national currency as New York. Were I a citizen of that State, I candidly confess it would require all my virtue and patriotism to enable me to resist the temptations of a policy which seeks the downfall of the Bank of the United States. Sir, since I am on my feet, although I did not intend to touch the subject, I will beg leave to say a few words as to the effect which would be produced by the destruction of a general currency on the relative interests of New York and other portions of the Union. The first operation of the new system would be to give to the city of New York, by means of its local banks, the use of an annual deposit, without interest, of at least ten millions of the public revenue, derived from imposts on foreign importations, all of which would, by means of a National Bank and its branches, be distributed over the whole country on a scale of perfect equality. This is one advantage; but there are others still more important. The honorable Senator from New York (Mr. WRIGHT) has said, and truly said, that the city of New York is the great emporium of commerce in the United States. I admit that it is so. The merchants of the Middle States, the Southern, Southwestern, and Western States, supply themselves with foreign merchandise, for the annual supply of their customers, at this great emporium of commerce. How, sir, do they make their remittances in payment of these goods? At present, through the medium of a National Bank, they may, without difficulty, deposit their local State paper, the credit of which is good where it is issued, in a Branch Bank of the United States, and obtain a check on any part of the United States, however remote, at a very small discount, not exceeding one per cent. They do not run the risk of a protest, as in the case of bills of exchange drawn by individuals, or a company of merchants; they run no risk in transmitting such a check by mail, because, if lost, it may be renewed, and the holder cannot demand payment without the endorsement of the person in whose favor it was drawn. Thus the intercourse between the Western country and New York, or the other commercial cities on the seaboard, can be carried on without risk, and for a very small premium, by means of a National Bank and a general currency. But let us look at the other side of the picture. Suppose this great point, which is made a *desideratum* in the policy of this administration, of prostrating the Bank of the United States, should prevail, we shall then be thrown back upon the local State currency, and the ordinary means of remittances, through the medium of bills of exchange. Suppose, under this state of things, a merchant in Natchez, or Mobile, or New Orleans, should become debtor for goods, wares, and merchandise, to an importing merchant in the city of New York, payable in six and twelve months. He sells his goods to his customers, and receives in payment the sound currency of the State in which they are sold, (and he can obtain payment in no other currency.)

Well, sir, he takes with him these bank notes, issued by banks which have more specie in their vaults than notes in circulation; equal, in the amount of their solid capital, to any institution of the kind in the world, and offers them, in payment of his debt, to the New York merchant. And what, sir, will he be told? Why, sir, the cautious merchant would say to him—"Go into Wall street, and whatever your paper is worth at the

brokers, I will take it at the same rate of discount, but give me the note of a pet bank in this city, and I will take it at par." The Wall street broker would exhibit to the applicant a regular graduated list of the value of bank paper from Passamaquoddy to the Balize; this scale, sir, will be regulated to suit the taste of the Wall street brokers, who, without the intervention of a national currency, will take the command and control of the fiscal concerns of this country. New York bank paper would far transcend in value the bank paper of any other State in the Union; it would find pasture in all that vast region of country where the retail merchant is a debtor for foreign goods purchased in the New York market; it would be sought for there, and even bought at a premium by all who desired to make remittances to the city of New York. What, sir, has been the progress of this system since the removal of the public deposits? We find that already the bank paper of the whole Western and Southern country is below par in the Northern cities, at from five to ten per cent. This inequality will increase rather than diminish, as the system advances to maturity. Besides this unfavorable operation on the whole interior of the Union, it is manifest that the exchange capital of the country must be deposited in New York and other great commercial cities, where the rate of discount on the domestic exchanges of the country will be fixed so as to produce the best practicable profit to those who deal in them. Now, by the agency of a general currency, the people who reside beyond the mountains, in the great valley of the Mississippi, may transfer their funds without risk, and at a small expense, to any portion of the United States; but if they are driven, by the destruction of this currency, to the necessity of making their remittances in local bank paper or bills of exchange, they must inevitably sustain an annual loss of from six to ten per cent. on the whole amount of these remittances. Such, sir, would be some of the blessings of the system which the Chief Magistrate is endeavoring to force into operation, and which we are told is to cover him with glory. I repeat, sir, that I do not wonder at the general support which it receives from the Legislature of New York, or the representatives of that State in either House of Congress; but I do wonder that any honorable Senator, representing the interests of the great valley of the Mississippi, should so far forget his duty to his constituents as to bow down at the footstool of power, and humble both himself and them, to subserve the interest of party factions, and gratify the avarice of stockjobbers and speculators. I beg pardon of the Senate for having detained them so long on this preliminary debate; but I felt it my imperious duty to throw out, however imperfectly, some of the views which I have presented to the Senate of the question which now agitates and convulses the country.